

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

In the Matter of

Amendment to the Commission's Rules
Regarding a Plan for Sharing the Costs
of Microwave Relocation

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WT Docket No. 95-157
RM-8643

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COMMENTS OF GTE

GTE Service Corporation on behalf of
its telephone and wireless companies

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November 30, 1995

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SUMMARY

GTE supports the Commission's efforts to establish a cost sharing mechanism for microwave relocation. GTE and other PCS licensees have already begun negotiations with incumbent microwave licensees in order to free spectrum and begin providing PCS in their license areas.

GTE Macro Communications has recently entered into a cost sharing agreement ("Agreement") along with AT&T Wireless, Sprint Telecommunications Venture and PCS Primeco that will govern the sharing of costs incurred in moving microwave links to clear A and B block PCS broadband spectrum.

GTE urges the Commission to consider modifying its proposal and to adopt the key elements of the Agreement in its cost sharing rules for all PCS licensees. At minimum, however, GTE asks that the Commission to take no action that would prohibit private agreements, where they exist, from governing the cost sharing obligations among parties to such agreements.

Under the Commission's proposal, the cost sharing obligation would be based on a determination of whether interference would have occurred. The calculations necessary to determine potential interference are complex, costly and time consuming. The Agreement uses an approximation of interference called the "Proximity Threshold" to determine the cost sharing obligation. By comparison, the Proximity Threshold simplifies the process of determining when an obligation to share costs arises and therefore saves licensees both time and money.

The Commission's proposed formula to determine the amount of a subsequent licensee's cost sharing obligation is also more complicated than it needs to be. Under the Agreement, all Parties holding PCS licenses obligated as determined by the Proximity Threshold share costs on a per link basis. Costs are apportioned by the method clearly spelled out in the agreement and illustrated by examples.

The Agreement treats premium and actual costs slightly differently than the Commission's proposal. The NPRM would cap the relocation costs subject to sharing at \$250,000 per link (plus \$150,000 for tower construction) and deny cost sharing for premium payments. Under the Agreement, however, premium payments may be recovered from subsequent licensees so long as the total relocation cost does not exceed \$250,000 per link. Any amount over \$250,000 that represents premium payment is not subject to sharing. The Agreement does not cap the costs that may be shared by other licensees.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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Regarding a Plan for Sharing the Costs)	RM-8643
of Microwave Relocation)	

COMMENTS OF GTE

GTE Service Corporation on behalf of its telephone and wireless companies ("GTE") hereby files its comments in response to the Federal Communications Commission's ("FCC" or "Commission") Notice of Proposed Rulemaking ("NPRM") in the above-captioned proceeding.¹ In the NPRM, the Commission proposed to adopt a cost sharing plan for relocating microwave facilities currently operating in the 1850-1990 MHz ("2 GHz") band, which has been allocated for use by broadband Personal Communications Services ("PCS"). The proposed plan would establish a mechanism by which licensees that incur costs to relocate microwave links would receive reimbursement for a portion of those costs from other PCS licensees that benefit from the relocation. The Commission also sought comment on a number of other issues associated with microwave relocation.

¹ Amendment to the Commission's Rules Regarding a Plan for Sharing the Costs of Microwave Relocation, *Notice of Proposed Rulemaking*, WT Docket No. 95-157, RM-8643, FCC 95-426, Released October 13, 1995.

I. INTRODUCTION

GTE supports the Commission's efforts to establish a cost sharing mechanism for microwave relocation. GTE and other PCS licensees have already begun negotiations with incumbent microwave licensees in order to free spectrum and begin providing PCS in their license areas. GTE believes that cost sharing mechanisms are necessary to ensure an orderly and non-contentious process of recovering microwave relocation costs that benefit more than one PCS licensee.

As the Commission knows, GTE Macro Communications has recently entered into a cost sharing agreement ("Agreement") along with AT&T Wireless, Sprint Telecommunications Venture and PCS Primeco that will govern the sharing of costs incurred in moving microwave links to clear A and B block PCS broadband spectrum.²

GTE believes that the Agreement has advantages over the Commission's proposal, particularly in its method for determining when an obligation to share costs arises and in the actual cost sharing mechanism. In particular, GTE believes that the Agreement is simple to apply, treats participating PCS licensees fairly, and reduces the costs associated with determining a licensee's cost sharing obligation.

The Agreement, in its current form, only deals with cost sharing among the signatory A and B block spectrum licensees. GTE, however, agrees with the

² A copy of Agreement is attached as an Appendix to these comments.

Commission that cost sharing obligations should extend to all broadband PCS licensees. To that end, GTE would support extension of the Agreement in two ways. First, the Agreement is written in a manner that would allow other PCS licensees to become Parties to the Agreement. GTE and its co-signatories would welcome any other licensees to become Parties. Second, although the Agreement does not address cost sharing by licensees in the C, D, E and F PCS spectrum blocks, GTE believes it could easily be adapted to apply to these entities.³

GTE urges the Commission to consider modifying its proposal and to adopt the key elements of the Agreement in its cost sharing rules for all PCS licensees. At minimum, however, GTE asks that the Commission to take no action that would prohibit private agreements, where they exist, from governing the cost sharing obligations among parties to such agreements.

II. BACKGROUND

As the Commission noted in the NPRM, in order to clear a particular spectrum block for unrestricted PCS use, a PCS licensee may be required to relocate microwave links outside its spectrum block and licensing area. That is because some spectrum blocks assigned to microwave incumbents overlap one or more PCS spectrum blocks, and because incumbent's receivers may be susceptible to interference from more than one PCS spectrum block. In addition, because most microwave licensees operate multi-link systems, PCS licensees

³ Specific proposals regarding how to make the Agreement more readily applicable to all broadband PCS licensees are set forth throughout these comments.

may be required to relocate links that do not directly affect the use of their own spectrum in order to entice the incumbent to relocate.⁴

Because PCS licensees will clear microwave links that encumber the spectrum blocks of other PCS licensees, such licensees stand to benefit from the relocation. Thus, to prevent a “free-rider” situation and to encourage licensees to move microwave links, the Commission has determined that a cost-sharing system is necessary.⁵ Indeed, the Commission tentatively concluded that a mandatory cost-sharing plan would significantly enhance the speed of relocation, and, in turn, result in the faster deployment of PCS.⁶

III. DISCUSSION

A. The Agreement’s Proximity Threshold is a Much Simpler Method of Determining When an Obligation to Share Costs Arises

In the NPRM, the Commission proposed to adopt a cost sharing plan that would base whether an obligation to share costs arises on a complex system of interference rights. Under this system, a PCS licensee that pays to relocate a microwave link or links would register as the holder of reimbursement rights with a clearinghouse. When a subsequent PCS licensee begins the required prior coordination notice (“PCN”) process, that licensee would also contact the clearinghouse to determine if any prior licensees hold reimbursement rights for the channel over which it intends to transmit.

⁴ NRPM at 9 (para. 15).

⁵ See *Id.* at 9 (para. 16).

⁶ *Id.* at 12 (para. 24).

Under the Commission's proposal, the cost sharing obligation would be based on a determination of whether interference would have occurred. This determination would be calculated pursuant to TIA Telecommunications Bulletin 10-F, "Interference Criteria for Microwave Systems," May 1994.⁷ Bulletin 10-F identifies various interference calculation methods, requiring the determination of numerous parameters, for computing the potential for interference into existing microwave links.

1. The Proximity Threshold

As the Commission recognized, Bulletin 10-F involves a rather complex and variable computation in order to determine potential interference.⁸ Moreover, the determination of parameters and calculations required in order to determine potential interference would be costly and time consuming. GTE and its co-signatories believe that there is a much simpler method of determining when a cost sharing obligation arises.

The Agreement eliminates the need to calculate potential interference by using a concept referred to as the "Proximity Threshold" to determine whether a subsequent licensee has an obligation to reimburse a prior licensee for relocation costs. Under the Proximity Threshold, cost sharing obligations are triggered, if, for any microwave link:

1. All or part of the link is co-channel with the licensed A and/or B PCS band(s) of two or more Parties to the Agreement;

⁷ Id. at 23-27.

⁸ Id. at 26 (para. 52).

2. Another Party to the Agreement (the relocating licensee) has paid the relocation costs of the incumbent microwave licensee; and
3. The subsequent licensee turns on a fixed base station ("FBS") at commercial power and the FBS is located within a rectangle described as follows:

The length of the rectangle shall be x where x is a line extending through both nodes of the microwave link to a distance of 30 miles beyond each node.

The width of the rectangle shall be y where y is a line perpendicular to x and extending for a distance of 15 miles on both sides of x .⁹

If the requirements above are met for one microwave link in a microwave network,¹⁰ a party will incur cost sharing obligations pursuant to this Agreement for the entire microwave network (being moved as part of single agreement), except that no obligation will exist for any microwave link where both nodes of that microwave link lie more than 50 miles beyond the boundaries of the MTA where the requirements set forth above are met.¹¹

Compared to the complex and variable calculations required under the proposal set forth in the NPRM, the Proximity Threshold simplifies the process of determining when an obligation to share costs arises by approximating the situations in which interference would likely occur. The parameters of the Proximity Threshold provide a rough approximation of the area within which a

⁹ For a graphic depiction of the Proximity Threshold rectangle, see Appendix at 3.

¹⁰ The Agreement defines microwave network as "a set of contiguous nodes and Microwave Links (without fiber links) that interconnect pairs of nodes. A Microwave Network may consist of as few as two nodes and a single link, or may consist of multiple, interconnected links and nodes." Agreement, Appendix at 2.

¹¹ Id. at 3.

typical FBS would likely have interfered with the microwave link, had it not been relocated. The 50 mile boundary limitation approximates a typical distance beyond which interference is unlikely. These distances were accepted by all Parties as the basis for this reciprocal "win some/lose some" arrangement.

GTE believes that the Proximity Threshold is superior to the potential interference calculation mechanism proposed in the NPRM because it is much simpler to apply and will save licensees both time and money. GTE and its co-signatories realize that the Proximity Threshold rectangle does not capture each situation where interference would occur. There may be some situations in which a subsequent licensee's FBS, although located within the rectangle, would not actually have interfered with the relocated link(s), and situations in which an FBS outside the rectangle may actually have interfered with the relocated link(s).¹² GTE and its co-signatories, however, believe that the number of situations in which a Party benefits from application of the Proximity Threshold is likely to be offset by situations in which the Party does not. On balance GTE believes that the benefits of the Proximity Threshold far outweigh any detriments.

2. Adjacent Channel Interference

The NPRM sought comment on whether adjacent channel interference should be included for purposes of determining a reimbursement obligation.¹³

¹² GTE notes, however, and the Commission has recognized, that the Bulletin 10-F calculations also are imperfect. NPRM at 25-26.

¹³ NPRM at 26 (para. 53).

The Commission tentatively concluded that reimbursement should only be required if: (1) the subsequent PCS licensee's system would have caused co-channel interference to the link that was relocated; and (2) at least one end point of the former link was located within the subsequent PCS licensee's authorized market area.¹⁴

GTE believes that the Proximity Threshold is the best method of approximating interference for purposes of determining when an obligation to pay arises. While the proximity threshold does not explicitly consider adjacent channel interference, some adjacent channel interference would be captured since it considers the full licensed bandwidths, not just the bandwidths utilized. The cost sharing obligation under the Proximity Threshold is triggered when the *licensed* PCS block overlaps any part of the decommissioned link's previously *licensed* operating band.¹⁵ Thus, for purposes of determining the duty to pay, a microwave link is considered co-channel even if the relocated facility (or facilities) did not operate on all of the microwave licensee's licensed allotted spectrum and even if the PCS licensee's FBS does not operate on a channel used by the relocated link(s). As such, parties may be required to pay relocation costs even if the actual use would not have been co-channel. In this manner, a significant amount of adjacent channel interference will be captured.

¹⁴ Id. at 27 (para. 55).

¹⁵ Agreement, Appendix at 1.

B. The Commission Should Consider Adopting the Cost Sharing Plan Set Forth in the Agreement

1. The Cost Sharing Formula

The Commission proposed to determine a subsequent licensee's cost sharing obligation through a complicated formula. The proposed formula would determine the amount of the reimbursement based on the amount paid to relocate the link(s), the number of PCS licensees that would interfere with the link(s), and the difference in time between when the first licensee paid to relocate the link and when the subsequent licensee becomes obligated to reimburse the party that paid to move the link(s). The formula would work such that the party paying for relocation would pay the largest share of the relocation expenses.¹⁶

The Agreement requires a much simpler calculation. Under the Agreement, all Parties holding PCS licenses obligated as determined by the Proximity Threshold share costs on a per link basis. Costs are apportioned by the method clearly spelled out in the agreement and illustrated by examples.

GTE believes that this method of determining the cost sharing obligation is advantageous for several reasons. First, the Agreement method is simple to apply. Second, the Agreement is more equitable in that each licensee that meets the Proximity Threshold is obligated to pay a fairly apportioned share of

¹⁶

NPRM at 13-15.

the justifiable relocation expenses.¹⁷ Third, the Agreement does not require parties to calculate the relative benefit of the relocation payment to licensees that enter the market subsequent to the initial licensee — i.e., the time value of money. As discussed in greater detail below, GTE believes that the time value of money is not a significant factor in determining the cost sharing obligation among A and B block licensees.

2. The Time Value of Money

The formula the Commission proposed to apply to determine the cost sharing obligation of subsequent licensees includes a mechanism that accounts for the diminished value of money over time. The Agreement does not account for the time value of money.

The Agreement was crafted only to apply to the Parties' A and B block PCS licensees. The Parties determined that because the A and B blocks were licensed at the same time and because licensees are likely to construct their networks at proximate times, the time value of money is not likely to be a significant factor in cost sharing among A and B block licensees. Even if the time value of money is a significant factor in some situations, the Parties decided that each entity would likely benefit from failure to consider the time value of money as often as they would suffer from non-consideration of this factor.

¹⁷

GTE disagrees with the Commission's proposal to require the party paying for relocation to pay a larger share of the costs as an incentive to keep costs down. GTE believes that licensees do not require any additional incentives to contain costs.

GTE, however, recognizes that accounting for the time value of money may be necessary in order to apply the Agreement's cost-sharing plan to subsequent licensees in frequency bands C through F.¹⁸ In light of GTE's suggestion that the Commission adapt the cost sharing plan set forth in the agreement for all PCS licensees in the A through F blocks, GTE would support amending the cost sharing mechanism in the Agreement to account for the time value of money. GTE would be receptive, for example, with a mechanism that lowered the cost sharing obligation by 10 percent per year or 20 per cent every two years. GTE believes that a mechanism like this is preferable to the Commission's proposed formula in that it retains the simplicity inherent in the Agreement's cost sharing plan.

3. The Need for a Clearinghouse

Under the Commission's proposal, a neutral, non-profit clearinghouse would be needed to administer the cost sharing plan. The clearinghouse would accept filing of all applicable data, including contracts, associated with a relocation; accept filing of the Prior Coordination Notices; determine, based on Bulletin 10-F, whether operation by a subsequent licensee would have interfered with the relocated Microwave Link; and apply the formula to determine the cost sharing obligation.¹⁹

¹⁸ For example, an F Block entity turning on a facility in year 9 should not be expected to share costs equally with an A Block entity that paid to relocate a microwave link in year 1.

¹⁹ NPRM at 30-31.

The Agreement does not contemplate the use of a clearinghouse. The Parties to the Agreement reasoned that because the cost sharing mechanism is simple and efficient, and considering that the number of Parties is limited, cost sharing obligations could be determined and tracked by either Party. The Parties would settle accounts periodically among themselves. By eliminating the need for a clearinghouse, the Agreement does not create any of the confidentiality concerns raised in the NPRM.²⁰

GTE recognizes that a clearinghouse might be beneficial if the Commission adopts the Agreement's cost sharing principles for the entire industry. In light of the ease of determining when and to what extent a licensee must share costs, however, the clearinghouse would probably only be necessary to facilitate clearing of accounts among PCS licensees.

C. Other Issues

1. Compensable Costs

Subject to the proposed reimbursement cap,²¹ the NPRM proposed to separate relocation costs into two categories: (1) the actual cost of relocating a microwave incumbent to comparable facilities; and (2) payments above the cost of providing comparable facilities -- i.e., premium payments. The Commission proposed that premium payments would not be subject to cost sharing. Actual relocation costs would be subject to reimbursement up to the amount of the

²⁰ Id.

²¹ See Section III.C.2., *infra*.

reimbursement cap.²² Although the Commission listed the types of costs that might reasonably be recovered,²³ the Commission's proposal does not attempt to limit any party's right to dispute a verified cost of relocation.²⁴

The Agreement treats premium and actual costs slightly differently than the Commission's proposal. Under the Agreement, premium payments may be recovered from subsequent licensees so long as the total relocation cost does not exceed \$250,000 per link. Any amount over \$250,000 that represents premium payment is not subject to sharing.²⁵ In order to recover any relocation costs up to and including \$250,000 per link, the Party making payment need only show that the payments were actually made to the incumbent in connection with the relocation.²⁶ In this manner, the Agreement limits the circumstances under which disputes over relocation costs can arise. For costs over \$250,000, the Party seeking sharing must provide documentation showing that the costs were reasonable and necessary and reflect actual costs of relocation.²⁷

GTE believes that the Agreement's method of determining compensable costs is superior to the proposed method. First, the Agreement recognizes that,

²² NPRM at 17-18.

²³ Id. at 18 (para. 37).

²⁴ Id. at 32 (para. 32).

²⁵ For example if actual relocation costs are \$200,000 and a \$100,000 premium is paid, a subsequent licensee would be required to pay \$125,000, while the prior licensee would pay \$125,00 plus \$50,000 (the remaining premium payment in excess of the \$250,000 threshold).

²⁶ Agreement, Appendix at 4.

²⁷ Id. at 5.

in some cases, premium payments may be necessary to entice an incumbent to relocate. The Agreement strikes a balance between allowing recovery of some, reasonable premium payments and providing incentives to keep premium payments low. GTE believes this approach is more reasonable than denying recovery for all premium payments. Second, the Agreement attempts to limit the number of disputes over relocation costs by eliminating the need to justify costs under \$250,000 per link. As such, under the Agreement, licensees are likely to spend less time and money arguing over relocation costs and will be able to focus their efforts on clearing frequencies and bringing new services to the public.

2. Reimbursement Cap

The Commission tentatively concluded that a cap on the amount subject to reimbursement under the cost-sharing formula is appropriate in order to protect future PCS licensees.²⁸ The Commission therefore proposed to cap the costs that would be subject to sharing at \$250,000 per link, plus \$150,000 if a tower is required. The Commission estimates that relocation costs will average between \$132,000 and \$215,000 per link.²⁹

As noted above, the Agreement does not cap the amount of relocation costs subject to sharing. Rather, the Agreement treats all relocation costs up to and including \$250,000 -- including premiums -- actually paid as *per se*

²⁸ NPRM at 21 (para. 42).

²⁹ Id. at 21-22 (para. 43).

reasonable, and requires documentation for any costs above the \$250,000 threshold.³⁰

GTE believes that no reimbursement cap is necessary so long as the paying licensee is required to sufficiently document its costs. GTE contends that capping the costs subject to reimbursement unfairly and unnecessarily punishes the paying party. A reimbursement cap may make some licensees reluctant to negotiate relocation in situations where other licensees would benefit. Moreover, GTE does not agree that a cap is necessary to make the costs to be paid by future licensees more certain. Such licensees will have ample relocation cost information both from estimates and from actual relocation expenses paid by other licensees. Accordingly, on balance, GTE urges the Commission to adopt the cost sharing provisions set forth in Agreement rather than adopting a reimbursement cap.

3. Expenses Already Incurred

The NPRM tentatively concluded that PCS licensees should be permitted to seek reimbursement for any relocation costs incurred after April 5, 1995 -- the beginning of the voluntary negotiation period for A and B block licensees.³¹ The Agreement covers sharing of relocation costs incurred by any of the Parties after September 28, 1995 -- the date the Agreement was signed.³²

³⁰ Agreement, Appendix at 4-5.

³¹ NPRM at 17 (para. 35).

³² Agreement, Appendix at 7.

GTE agrees with the Commission that a fixed date should be set, after which relocation costs incurred may be shared. GTE believes that for the Parties to the Agreement, however, September 28, 1995 is more relevant than April 5, 1995. Accordingly, consistent with its earlier request that the Commission not preempt the Agreement in any way, GTE asks the Commission to allow the date set forth in the Agreement to serve as the starting point for cost sharing obligations among the signatories.

4. Ten Year Sunset

The Commission's proposal and the Agreement are consistent in that each provides that the cost sharing obligation will sunset after 10 years. However, because cost sharing duties would start at different times under each document, the 10-year periods do not coincide exactly.³³ As with the starting date for the cost sharing obligation among licensees, GTE requests that the Commission allow the sunset date set forth in the Agreement to govern the cost sharing obligation among its signatories.

5. Timing

The Commission tentatively concluded that a subsequent licensee should become obligated to share costs with a prior licensee at the time the subsequent licensee commences commercial operations.³⁴ Similarly, the Agreement makes the cost sharing obligation contingent upon the subsequent party turning on an

³³ Compare NPRM at 19 (para. 39) with Agreement, Appendix at 8.

³⁴ NPRM at 28 (para. 58).

FBS at commercial power.³⁵ Accordingly, GTE agrees with the Commission's proposal.

6. Good Faith Negotiations

The Commission tentatively concluded that clarification of the term "good faith" -- used in the context of mandatory negotiation period negotiations -- would help reduce the number of disputes that may arise. Accordingly, the Commission tentatively concluded that an offer by a PCS licensee to replace a microwave incumbent's system with comparable facilities constitutes a "good faith" offer. Failure to accept such an offer would create a rebuttable presumption that the incumbent was not acting in good faith.³⁶ GTE supports these tentative conclusions.

7. Comparable Facilities

In the NPRM the Commission defined a comparable facility as a facility equal to or superior to the fixed microwave facility it is replacing. In determining whether a replacement facility is comparable, the Commission proposed to clarify the factors it will consider. The three main factors the Commission proposed to consider are: (1) communications throughput, defined as the amount of information transferred within the system for a given amount of time; (2) system reliability, defined as the amount of time information is accurately transferred within the system; and (3) operating cost, defined as the cost to

³⁵ Agreement, Appendix at 2.

³⁶ NRPM at 33 (para. 69).

operate and maintain the microwave system. The Commission also recognized that comparable replacement facilities can be provided by trading-off system parameters.³⁷ GTE agrees with both the Commission's definition of comparable facilities and the factors it proposed to consider in determining if facilities are comparable.

8. Disputes Between Microwave Incumbents and PCS Licensees

The Commission stated in the NPRM that microwave incumbents and PCS licensees are encouraged to attempt to settle disputes arising over relocation negotiations through the use of alternative dispute resolution techniques.³⁸ GTE agrees.

9. Twelve-Month Trial Period

In the NPRM, the Commission proposed to clarify the start and end points for relocated microwave incumbents' 12-month trial period. The Commission also proposed to clarify that a relocated microwave incumbent would retain its right to receive comparable facilities even if it surrendered its license prior to expiration of the trial period.

GTE does not object to these proposals. However, GTE notes that in some cases a PCS licensee may be willing pay the microwave incumbent a premium in order to waive its right to the trial period. GTE therefore asks the

³⁷ NPRM at 35-36.

³⁸ Id. at 39 (para. 82).

Commission to also clarify that incumbents may explicitly waive their trial period rights.

10. Interim Licensing

Under current Commission Rules, in order to keep relocation costs for PCS licensees down and to facilitate negotiations to relocate incumbent microwave links, new 2 GHz microwave links are licensed only on a secondary basis. However, stations licensed before January 2, 1992, are permitted to make modifications and minor extensions to their systems and retain their primary status. In the NPRM, the Commission proposed to continue to apply the current rules governing primary and secondary status to modification and minor extension applications pending as of the date of the NPRM.³⁹

GTE agrees that no new microwave stations in the 2 GHz band should be granted primary status. GTE also supports the Commission's proposal to only allow minor modifications and extensions by existing primary status licensees.

IV. CONCLUSION

GTE believes that the microwave relocation cost sharing Agreement entered into with AT&T Wireless, PCS Primeco and Sprint Telecommunications Venture has advantages over the Commission's proposal. In particular, the Agreement's method for determining when an obligation to share costs arises and in the actual cost sharing mechanism are much simpler, treat participating

³⁹

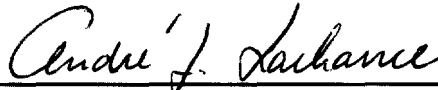
NPRM at 41-42.

PCS licensees fairly, and reduce the costs associated with determining a licensee's cost sharing obligation.

GTE urges the Commission to consider modifying its proposal and to adopt the key elements of the Agreement in its cost sharing rules for all PCS licensees. At minimum, however, GTE asks that the Commission to take no action that would prohibit private agreements, where they exist, from governing the cost sharing obligations among parties to such agreements.

Respectfully submitted,

GTE Service Corporation and its telephone
and wireless companies

A handwritten signature in cursive script, reading "Andre J. Lachance", positioned above a horizontal line.

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November 30, 1995

Their Attorney

AGREEMENT

This Agreement ("Agreement") is made on and as of September 28 1995 by and among AT&T Wireless Services, Inc., a Delaware corporation ("AT&T Wireless"), Wireless Co., L.P., a Delaware limited partnership ("Wireless Co"), PhillieCo, a Delaware limited partnership ("PhillieCo"), PCS PrimeCo, L.P., a Delaware limited partnership ("PrimeCo"), and GTE Macro Communications Service Corporation, a Delaware corporation ("GTE") (hereinafter referred to as "Party" or "Parties").

RECITALS

WHEREAS, the Parties hold PCS licenses to provide telecommunications services in certain MTAs; and

WHEREAS, the operation of the PCS systems will require the relocation of Incumbent microwave service providers who currently operate in such MTAs; and

WHEREAS, the FCC requires that the Incumbent microwave service providers be reimbursed for their relocation costs; and

WHEREAS, the FCC has not established procedures for the allocation of such costs among the PCS license holders who benefit from the relocation of Incumbent microwave service providers; and

WHEREAS, the Parties wish to establish procedures to provide for the sharing of such relocation costs in those markets where they are benefitted, all subject to whatever rules or regulations may later be adopted by the FCC or other regulatory bodies;

NOW, THEREFORE, in consideration of the mutual commitments made herein, the Parties hereby agree as follows:

DEFINITIONS

"Co-channel" shall mean any situation where a part of a licensed PCS block (2 * 15 or 2 * 5 MHz) overlaps any part of the decommissioned link's previously licensed operating band (2 * 10 MHz or 2 * 5 MHz).

"FBS" shall mean a Fixed Base Station which is a stationary transmission node used for the broadcast to and reception of communications with stationary (fixed) mobile or non-stationary mobile radio users.